Housing Starts and New House Prices

Alberta housing starts continue to soften…

In 2010 Alberta housing starts totaled 27,000 (preliminary), 35% higher than 2009. This strength in 2010 was largely due to a strong performance in the first half of 2010. Housing starts have been moderating since then and have declined for the third month in a row. In December housing starts edged down 4.5% to 21,300 units (seasonally adjusted at annual rates). On a year-over-year basis, starts went down 22.8% in December.

Alberta Housing Starts ('000s) and New Housing Price Index

Nationally, annualized monthly housing starts in December were down 13.5% to 171,500 from the 198,200 figure recorded in November. The decrease at the national level was mainly due to the drop in multiple starts segments, particularly in Ontario.

Alberta Home Prices essentially flat…

New home prices in Alberta rose marginally (0.1%) in November, due to a small increase in land prices (0.7%) partially offset by declining house prices (-0.2%). Prices were a mere 0.9% above the previous years' level and the pace of the annual increase has moderated since July. In Edmonton, prices rose marginally (0.1%) during the month, while Calgary remained unchanged.

Nationally, new home prices rose 0.3% in November, the fourth consecutive monthly increase, and were 2.3% higher than November 2009.

Building Permits

Value of building permits down in November…

The value of building permits in Alberta decreased 5.8% in November to just over $790 million (seasonally adjusted), due to declines in both the residential (-8.1%) and non-residential sectors (-2.7%). The drop in both industrial (-29.5%) and institutional and governmental permits (-40.7%) was partly offset by an increase in commercial permits (23.0%). On a year over year basis, the value of building permits in Alberta was 25.0% lower than previous December.

Nationally, contractors took out $5.5 billion in building permits in November, down 11.2% from October.

↑	**Canadian Dollar (US¢/C$)**	
	January 14, 2011	100.97
	January 7, 2011	100.66
	2010-11 YTD	97.60
↑	**WTI Oil US$/bbl**	
	January 14, 2011	$91.40
	January 7, 2011	$88.03
	2010-11 YTD	$80.31
↓	**Nymex Natural Gas C$/MMBtu***	
	Near-month Contract	
	January 14, 2011	$4.33
	January 7, 2011	$4.36

*Estimate based on Nymex Futures Market Price

New Motor Vehicle Sales

Vehicle sales up in November…

Alberta had the largest increase (1.4%) in the number of vehicles sold in November across the nation, the sixth increase in seven months. Sales were 12.9% higher than the same time last year. The number of new motor vehicles sold in Canada was up 0.3%. Stronger truck sales were responsible for the increase.

International Merchandise Trade

Canada's trade deficit narrows in November…

Canada's merchandise trade deficit narrowed to $81 million in November from $1.5 billion in October, which was driven by a sharp decline in imports. Canada's merchandise imports declined 3.2% to $34.4 billion in November, led by a 15.2% fall in volumes of energy products. The 0.8% growth in Canadian exports was due to rising prices in most sectors, although export volumes fell 2.0%, with volumes of automotive products declining 10.0% as some automotive plants closed temporarily in November.

Current Economic Indicators

Population	2008	2009	2010Ytd	Jul	Aug	Sep	Oct	Nov	Dec
Population [1] (000's) (level)	3,591	3,671	3,735	3,721	--	--	3,735	--	
% change	2.2	2.2	1.4	1.4	--	--	1.4	--	
Net Interprovincial Migraton [1] (level)	15,317	13,184	-2,183	2,820	--	--	1,155	--	
Net International Migration [1] (level)	15,641	16,835	21,533	8,035	--	--	6,361	--	
Net Non-permanent Residents [1] (level)	18,611	19,162	-77	-753	--	--	-1,643	--	
Labour Market									
Employment (000's)	2,013	1,988	1,997	2,009	2,004	2,004	2,021	2,019	2,016
% change	2.8	-1.3	0.4	1.1	1.1	0.8	2.5	1.7	1.1
Unemployment Rate (%)	3.6	6.6	6.5	6.3	6.5	6.2	6.0	5.6	5.6
Participation Rate (%)	74.7	74.3	73	73.1	73.0	72.7	73.1	72.6	72.3
Average Weekly Earnings ($)	923.21	950.13	991.00	985.81	999.86	996.80	1012.54	--	
% change	6.0	2.9	4.4	4.7	7.0	4.6	6.6	--	
Price Indices									
Consumer Price Index	3.2	-0.1	1.0	1.5	0.6	0.9	1.2	0.1	--
Excluding food and energy	2.1	1.4	0.8	0.8	0.5	0.2	0.5	0.4	--
Non-Res. Cons. Cost Index [2] (quarterly)	13.2	-9.8	-0.9	1.8	--	--	--	--	--
Farm Product Price Index	12.9	-10.6	-10.8	-7.0	-6.4	--	--	--	--
Crops	30.1	-18.9	-23.7	-24.1	-24.1	--	--	--	--
Livestock	1.9	-2.8	-0.1	7.2	8.1	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's) NEW*	29.2	20.0	27.0	29.3	23.5	27.2	25.3	21.1	21.3
% change	-39.6	-31.6	35.0	51.0	13.5	12.2	-11	-25.9	-22.8
New Housing Price Index	0.7	-9.0	0.4	1.5	1.5	1.4	1.0	0.9	--
Edmonton NEW*	1.0	-11.2	-0.9	0.2	0.5	0.7	1.0	1.0	--
Calgary	0.6	-6.7	1.8	2.7	2.4	2.1	1.1	0.8	--
MLS Average Resale Prices ($ 000's)	351.4	340.5	352.7	352.2	347.2	360.4	352.9	356.1	--
% change	-1.5	-3.1	4.0	3.1	-0.5	0.4	-2	-1	--
Edmonton	330.8	319.1	327.7	323.2	325.7	333.8	337.5	338.6	--
% change	-2.0	-3.5	2.7	1.5	2.6	-0.7	-0.6	0	--
Calgary	401.1	384.3	400.3	402.7	392.1	413.6	396.2	402	--
% change	-2.9	-4.2	4.6	5.5	-0.8	1.6	-1.5	-0.6	--
Retail Sales [3]	0.2	-8.3	5.1	4.5	5.1	6.1	4.1	--	--
New Motor Vehicle Sales NEW*	-7.3	-21.7	10.2	10.0	14.8	14.4	1.1	18.0	--
Consumer Bankruptcies	6,066	9,986	6,964	626	615	732	700	--	--
% change	27.2	64.6	-19.6	-28.2	-30.3	-37.1	1.4	--	--
Business Sector									
Rigs Drilling	236	128	207	199	222	177	260	276	269
% change	-2.1	-45.6	61.3	135.2	130.3	59.3	101.4	81.5	18.5
Goods Exports (customs based)	35.0	-36.3	12.1	6.1	11.4	5.5	6.4	1.5	--
Energy NEW*	43.2	-40.1	16.9	5.1	12.5	3.2	1.6	-2.6	--
Agriculture	31.8	-10.2	-9.2	-3.3	-8.4	0.8	6.5	9.6	--
Total Farm Cash Receipts (quarterly)	17.3	-7.5	-7.1	-15.6	--	--	2.6	--	--
Manufacturing Shipments	6.9	-23.7	10.1	14.6	15.2	15.7	16.5	--	--
Wholesale Trade [4]	9.5	-15.9	8.5	12.5	20.8	20.4	19.3	--	--
Building Permits	-16.5	-14.2	3.5	10.1	3.5	-10.7	-39.3	-25.0	--
Residential NEW*	-31.5	-11.8	26.3	19.4	-12.1	-19.6	-22.7	-21.2	--
Non-residential	3.7	-16.3	-18.2	-3.0	39.2	7.2	-52.5	-29.6	--
Business Bankruptcies	447	405	315	27	30	34	24	--	--
% change	-0.4	-9.4	-7.6	-22.9	-9.1	-2.9	-27.3	--	--

Government of Alberta ■
Finance and Enterprise

Alberta■

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] Average of Calgary and Edmonton

[3] The Retail Sales series was revised on April 23, 2010 and is no longer comparable with numbers in previous Bulletins.

[4] The Wholesale Trade series was revised on April 21, 2010 and is no longer comparable with numbers in previous Bulletins.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province